IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

Appeal No. 88 of 2005
in
Notice of Motion No.2638 of 2004
in
Suit No. 2663 of 2004

l. M/s Maxheal Pharmaceuticals (India)
a partnership firm having its principal
place of business at l02/3 Tulsi Niwas
Pustikar Coop Housing Society,
Jogeshwari West
Mumbai 400l02

2. Madan M Sakhala, a partner of
M/s Maxheal Pharmaceutical India
having its address at l02/3 Tulsi
Niwas Pustikar Coop Society
Jogeshwari West Mumbai 400l02 ..appellants

vs

l. Shalina Laboratories Pvt Ltd
a company incorporated under the
Companies Act l956 and having
its registered office at 96
Maker Chambers VI Nariman Point
Mumbai 40002l

2. Gautam M Sakhala

3. Lalit M Sakhala

4. Paras M Sakhala
(2) to (4) above being partners of
Maxheal Pharmaceuticals India
having their address at l02/3 Tulsi
Niwas Pustikar Coop Society
Jogeshwari West Mumbai 400l02... respondents

Dr. Virendra Tulzapurkar Sr Counsel with
Jamsandekar i/b Bharat Shah and co for appellants

Mr. Ravi Kadam with Mr. Sanjay Kadam with Ashish
Kamat i/b Kadam and Co for respondents.

CORAM: A.P.SHAH & S.J.VAZIFDAR JJ.

Dated 16.2.2005

P.C:

l. This appeal is directed against the order of Karnik J. granting ad-interim injunction restraining the appellants from infringing the respondents trade mark "IBUCAP" and selling medicines under the brand name "IBRUCAP" and also for an injunction restraining the appellant from passing of their products as that of the respondents. The learned Judge on comparison of the marks as well as cartons recorded a prima facie finding as follows:

> "The cartons of the plaintiffs product is at Exhibit B to the plaint (page 3) and of the defendants product is at Exh G to the plaint (page 37) There are several similarities in the two cartons. Firstly, the colour scheme is similar. Both the cartons are blue in colour though there is a slight and inconsequential variation in the shades of blue. The name of the product is written in white letters on a red strip printed on the said carton in both the cartons. Both the cartons show a picture/ caricature of human body. Though the colour of the human body

> is read on the plaintiff’s carton and black in the defendants carton, a common man of an average intelligence is likely to recollect only the caricature of the human body. A streak of lighting is shown in white in the plaintiff’s packaging as well as of the defendants packaging. Overall look of the two cartons is similar. IN the case of Cadila Healthcare Limited vs Cadila Pharmaceuticals Limited reported in 200l (l) CTR 288, the Supreme Court has held that in case of medicinal preparation while examining the defence of the defendant that the packaging or the names of medicinal products are not similar, the standards would be stricter".

2. The above finding is not even disputed by Mr Tulzapurkar, learned counsel appearing for the appellants. Mr. Tulzapurkar, however, submitted that the learned single Judge has refused to entertain the plea of acquiescence on a totally erroneous ground that the question of acquiescence would be required to be examined at the trial. Mr. Tulzapurkar submitted that it has been consistently laid down by the Courts that this plea can be taken

at interlocutory stage. He referred to the statement of law by Fry J. In Willmott vs Barber reported in (l880) l5 Ch 96 which was cited by the Supreme Court with approval in Power Control Appliances and ors vs. Sumeet Machines reported in l995 PTC l65 at page l77.

3. We have examined the plea of acquiescence and after going through the entire material on record with the help of learned counsel we are prima facie satisfied that there is no merit in this plea. In M/s Hindustan Pencils Pvt Ltd vs. M/s India Stationery Products Co., AIR l990 Delhi l9, Kirpal J., as he then was, observed in para 39 as follows:

> "It had been submitted that there was an inordinate delay on the part of the plaintiffs in filing present suit. I have already held that inordinate delay would not defeat an action for the grant of a temporary injunction especially where the use by the defendant of the mark was fraudulent. In any case, in my opinion,, the delay in the present case cannot be regarded as inordinate. Assuming for the sake of argument that, as contended by the

defendants, the plaintiffs came to know about the user by the defendants of the infringing mark in Mar,l982, it is not as if the plaintiffs slept over their rights for a number of years. It is to be see that the plaintiffs principal place of business is in Bombay while the defendant is a small businessman carrying on its business in Sadar Bazar, Delhi. The plaintiffs in l985 did file an application for cancellation of the registration of copyright of the defendant. This amounted to first step being taken by it. The plaintiffs waited and within 3 years thereafter filed the present suit. The defendant must have known that it was adopting a mark which belongs to some one else. Any infringer who uses or adopts some one else's mark must be aware of the consequences which may follow. The defendant ran the risk in using a mark which belonged to some one else. It continued its business uninterruptedly for a number of years before any action was taken by the plaintiffs against it. Any growth after notice is at the risk and peril of the defendant. The defendants certainly having

been filed against it in the year l985 for cancellation of registration of the copyright. The defendants should have been warned, at that stage, that the plaintiffs is not likely to accept the user of its mark by the defendant. If the defendant continued to do business by using the impugned mark, it did so at its own peril. The continued user, cannot be set up as a defence under these circumstances".

4. The above decision of the Delhi High Court was followed by the Division Bench of this court in Schering Corporation and ors vs. Kilitch Co (Pharma) Pvt Ltd,(Appeal No.264/90) decided on l3th March l990, where S.K.Desai J.speaking for the Bench, observed as under:

"The principles enunciated by the single Judge of the Delhi High Court, in our opinion, are a complete answer to the defendants plea on the ground of delay. Once it is established that there is visual and phonetic similarity, and once it is established that the defendants adoption of the trade mark is not honest or genuine,

then the consideration of any plea as to delay must be on the basis of a consideration whether there has been such delay in the matter as has led the defendants assume that the plaintiffs have given up their contention and/ or whereby the defendants have altered their position so that it would be inequitable to grant interim relief to stop them from using the trade mark until the suit is decided? In the instant case we do not find any great delay on the part of the plaintiffs between the correspondence and the taking of steps. Correspondence starts in October l888 and criminal action is taken in June/July l989 followed by the Suit in September l989. This cannot be regarded as substantial delay. Again, it is not the defendants case that by reason of the delay the defendants assumed that the plaintiffs were acquiescing in the user of; the mark "Coriderm". Indeed if the correspondence is properly read there is no warrant for any such assumption. At all times the plaintiffs advocates were threatening to take action and indeed action was taken immediately ,

that is, within three to four months after the letter of April l989, If that be so, then there is no delay whatever which will non suit the plaintiffs or disentitle them from interim reliefs. Again between February l989 and July l989 we have no such averment by the defendants in the affidavit in reply which could suggest that the defendants have altered their position or expended considerable amount for promotion of the trade mark Coriderm, which they felt that they could spend by reason of any inaction on the part of the plaintiffs. Mere lapse of time does not amount to laches. Lapse of time must be so considerable as to enable the Tribunal or the court before which the plea is raised to come to the conclusion that by such lapse of time the defendants have changed or altered their position and/or by reason of which certain equities have resulted which would be improper to alter. In the instant case the plaintiffs have not acted with any undue delay. By reason of such lapse of time the defendants have not altered their position nor any equities are shown to have come into

existence by reason of which the defendants are required to be protected. In such background there would be no question of altering the status quo or of the status quo not being altered by reason of any delay".

5. In the present case we are satisfied that the adoption of the trade mark by the appellants was not honest and genuine. The appellants claim to have conceived the design of carton in l994 whereas they obtained the drug licence for the first time in l998 and started the production only in l999. That apart there is absolutely no material to substantiate the story that the design was conceived in l994. Besides it is not even the case of the appellants that by reason of the delay the appellants assumed that respondents acquiesced to the user of the mark of "IBUCAP". In fact in 2002 the respondents had applied for rectification of the mark and to that application the appellants had filed a written statement. Therefore at this ad-interim stage we are not prepared to accept the contention that mere lapse of time would amount to latches and acquiescence.

6. Mr.Tulzapurkar also submitted that the mark was

earlier registered in the name of American Remedies and having regard to the fact that in the examination report the said mark (American Remedies) was cited as conflicting mark there is reason to believe that the respondents managed to get registration by fraud and misrepresentation. The answer to this contention is contained in the judgment of Justice Vimadalal of this Court in Hindustan Embroidery Mills Pvt Ltd vs K Ravindra and Co (l974) 74 Bom L R, l46,wherein the learned Judge pointed out that it is not the practice of this court to consider the validity of registration of a trade mark on a motion for interlocutory reliefs taken out by the person who has got the mark registered in his name. While a mark remains on the register (even wrongly), it is not desirable that others should imitate it. Moreover the respondents have already applied for rectification of the registration in favour of the American Remedies.

7. Mr.Tulzapurkar then raised altogether new contention which was not raised before the learned single Judge that before the respondents can get any relief in respect of alleged passing off committed not in India but outside India, the

respondents are required to establish that the use of the mark is also actionable in country where the alleged tort of passing off is taking place. He contended that the appellants are only exporting goods and not selling them in India and therefore it is not sufficient to show that the use of mark is actionable in India but it is also required to be established that it is actionable in the country where the goods are exported. He referred to the decision of the Queens Bench in Phillips vs Eyre reported in (l870) Law Reports 6 QB page l where the court held that in order to found a suit in England for a wrong alleged to have been committed abroad, two conditions must be fulfilled viz first, the wrong must be of such a character that it would have been actionable if committed in England; and secondly, that the act must not have been justifiable by the law of the place where it was done. He also cited certain other judgments of English Courts in support of the principle of double actionability. We hasten to add that Mr. Tulzapurkar fairly conceded that as a result of enactment of Private International Law (Miscellaneous Provisions) Act, l995 position in United Kingdom is now different. He however, submitted that there is no such enactment in India

and therefore the position in India is governed by the common law applicable prior to the enactment of the aforesaid Act in England. We have serious doubt whether this principle has any application in view of section 56 of the Trade Marks Act, l999. In any event as pointed out by Mr.Kadam for the respondents the very act of imprinting or affixing the label in India would be per se actionable in both infringement action and passing off action. Secondly Mr.Kadam pointed out that foreign law is required to be established only when the claim is based on foreign law or the foreign law is taken as a defence. He submitted that in the case of present nature the principle laid down by Privy Council in l9l8 Appeal Cases l57 in the case of The Parchim would be applicable. We need not dwell on this point any further as the same has been raised for the first time in appeal and no such plea is raised either in the pleadings or in the submission before the learned single Judge. We are therefore of the opinion that the order of the learned single Judge does not require interference. We therefore dismiss the appeal. The learned single Judge is requested to decide the notice of motion expeditiously. It is needless to say that all the contentions of the parties are left open and the

motion will be decided on its own merits We also make it clear that the observations made in this order and the order of the learned single Judge are only prima facie and tentative and will not come in the way of either parties in the suit or in any other proceedings.

. At this stage Mr.Tulzapurkar seeks continuation of the order of stay. Application is rejected.